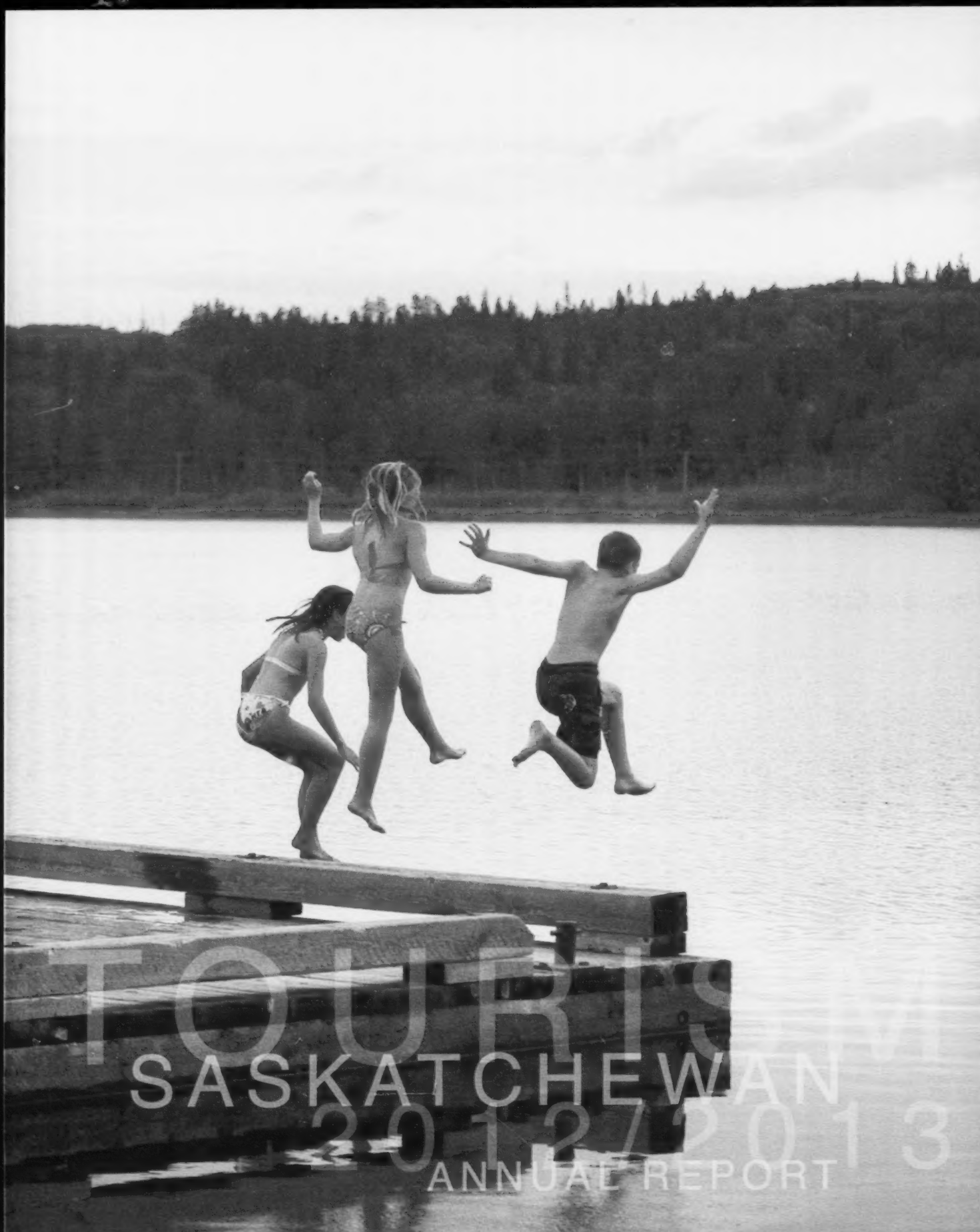
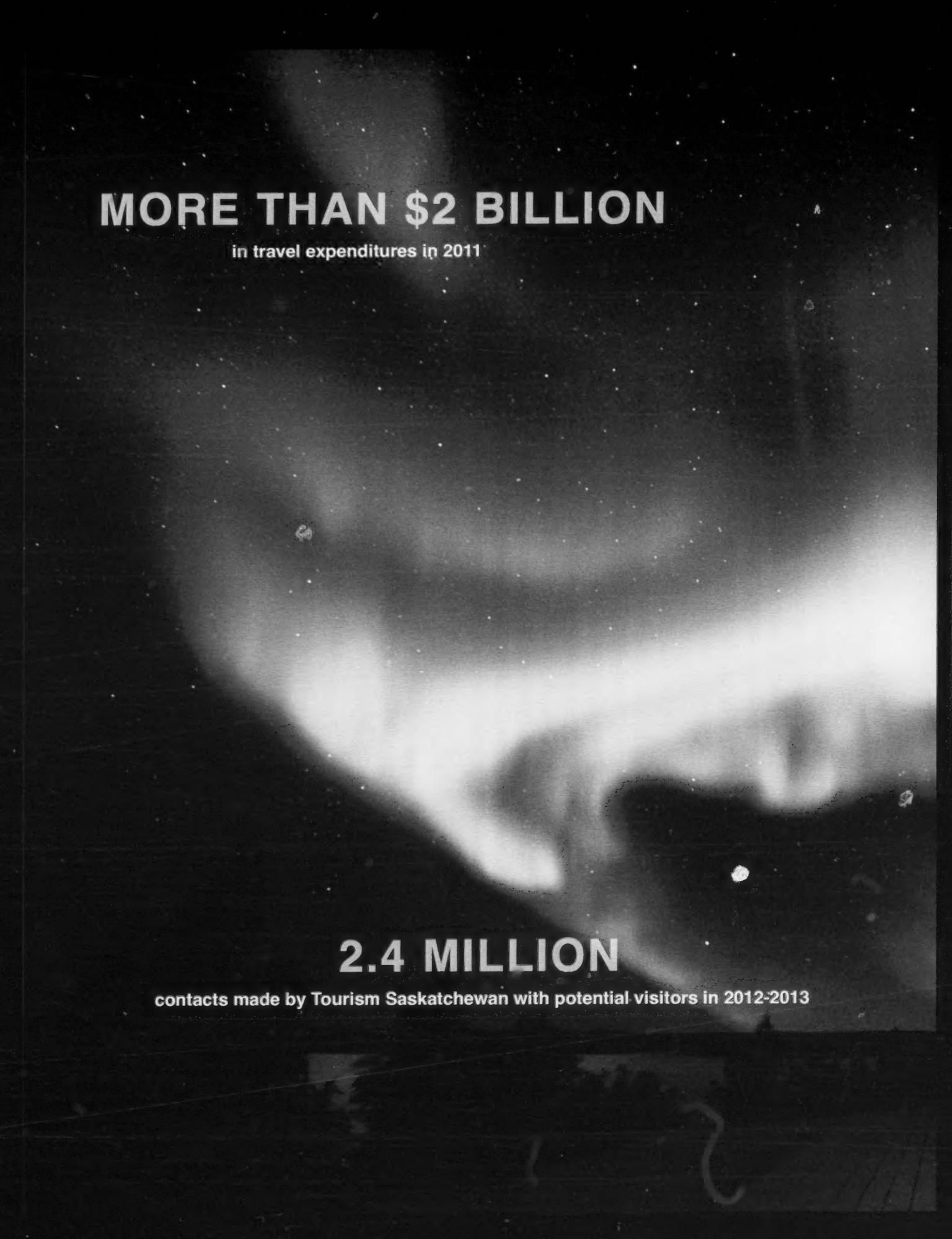
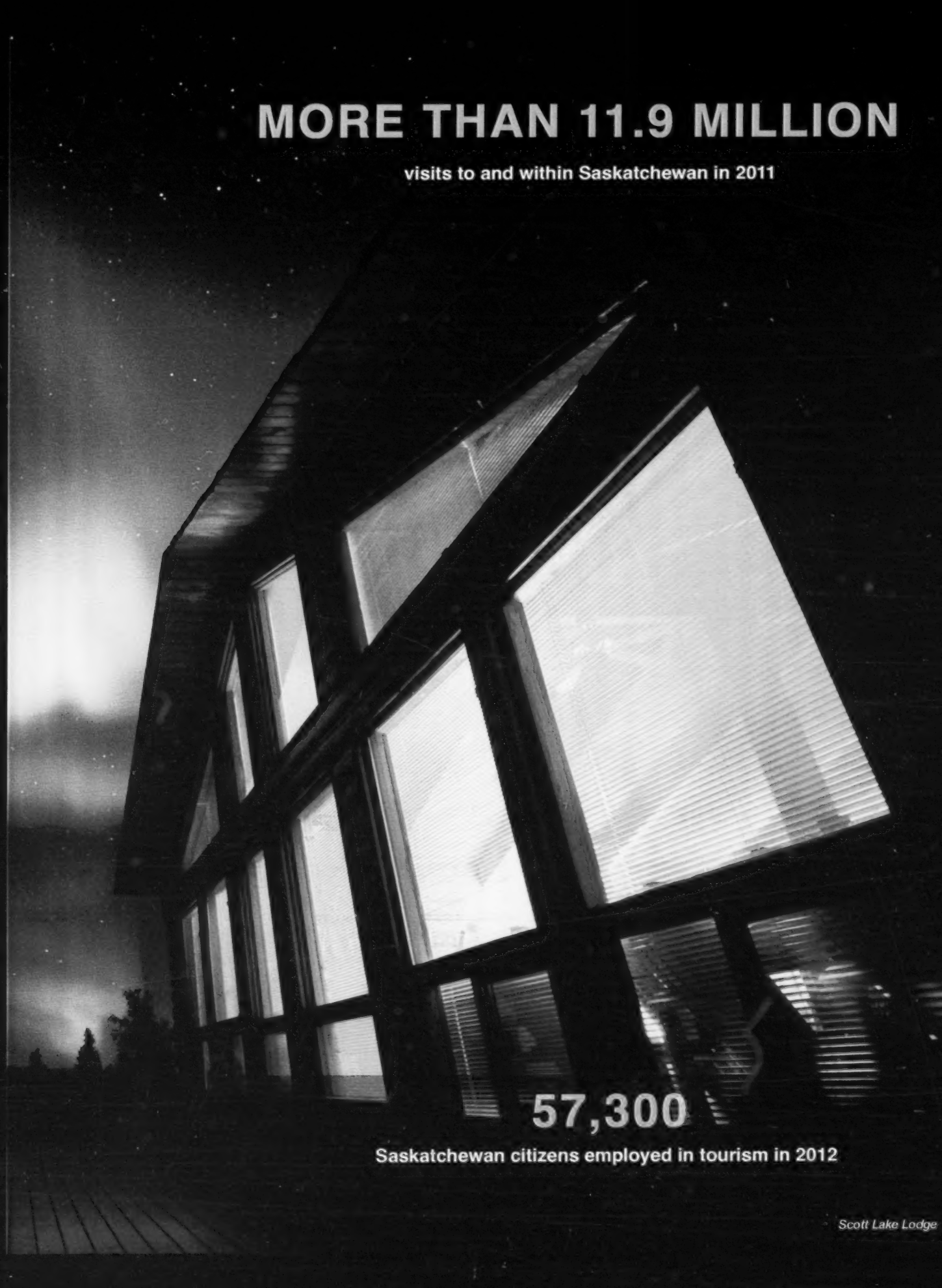


# TOURISM SASKATCHEWAN

## 2012/2013 ANNUAL REPORT


MORE THAN $2 BILLION
in travel expenditures in 2011
2.4 MILLION
contacts made by Tourism Saskatchewan with potential visitors in 2012-2013


MORE THAN 11.9 MILLION
visits to and within Saskatchewan in 2011
57,300
Saskatchewan citizens employed in tourism in 2012
Scott Lake Lodge

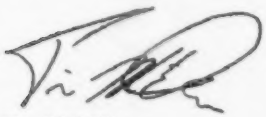
# LETTER OF TRANSMITTAL

Her Honour, The Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of the Province of Saskatchewan

May it Please Your Honour:

With respect, I submit Tourism Saskatchewan's Annual Report for the fiscal period ending March 31, 2013.

In compliance with *The Tourism Saskatchewan Act*, this document outlines the corporation's business activities and includes audited financial statements.



Tim McMillan
Minister Responsible for Tourism Saskatchewan

# INTRODUCTION

A change to Tourism Saskatchewan's fiscal year (from October 1 – September 30 to April 1 – March 31) was announced in November 2012, thereby aligning the Treasury Board Crown Corporation's fiscal year with that of the Government of Saskatchewan.

This Annual Report contains financial statements for the six-month period ending March 31, 2013. Operational activities are reported from April 1, 2012 to March 31, 2013 in order to establish a baseline that will assist with planning and is necessary for measuring progress and return on investment.

This document reports to public and elected officials on public commitments made and other key accomplishments within the identified fiscal period.

It outlines activities and work directed by Tourism Saskatchewan's new mandate and denotes progress made on Government commitments as identified in *Government Direction for 2012-13: Keeping The Saskatchewan Advantage*, the operating agreement with the Ministry of the Economy, throne speeches and other statements. The *Saskatchewan Plan for Growth – Vision 2020 and Beyond* was released in October 2012. Its direction is reflected in strategic planning for 2013-2014.

The information contained within demonstrates Tourism Saskatchewan's commitment to effective public-performance reporting, transparency and accountability.

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*Dogsledding in Northern Saskatchewan*


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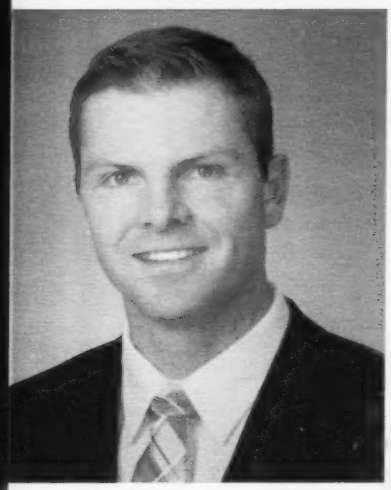
***Cover image:*** *Northern Saskatchewan*

# MESSAGE FROM THE MINISTER



I am pleased to acknowledge the work and achievements of Tourism Saskatchewan.

Tourism's significance to the province is evident in the numbers – more than $2 billion in travel spending and an estimated 11.9 million visits in 2011.* Additionally, the fact that 57,300 Saskatchewan citizens work in tourism-related jobs speaks to the sector's valuable offerings in terms of employment and entrepreneurial opportunities.

More than 95 per cent of tourism businesses are small- or medium-sized enterprises and a significant share of operations and events, 79 per cent, exists in communities outside of our two major cities. Simply put, tourism provides a connecting thread between Saskatchewan communities. Small or large, rural or urban, they all have some element of tourism at work.

Saskatchewan has a vast wealth of tourism resources – nearly 100,000 pristine lakes, limitless opportunities to explore and enjoy the outdoors, an enviable parks system, fascinating historic sites and attractions, colourful festivals and much more. But the industry's greatest strength is its people – innovative entrepreneurs, dedicated employees and thousands of volunteers who drive the success of attractions and events in communities throughout the province. Through their efforts, Saskatchewan hospitality is renowned.

The following pages feature highlights of Tourism Saskatchewan's work and activities, along with audited financial statements for an abbreviated fiscal period.

Tim McMillan
Minister Responsible for Tourism Saskatchewan

**Figures gathered by Statistics Canada using new methodology, not comparable to data for the previous year.*

# MANDATE

*The Tourism Saskatchewan Act*, proclaimed on July 1, 2012, identifies the corporation's prescribed mandate. Tourism Saskatchewan's functions are:
a) To market Saskatchewan as a tourism destination in domestic, national and international markets;
b) To assist Saskatchewan's tourism industry operators to market their products;
c) To develop and promote the quality of tourism products and services in Saskatchewan;
d) To provide visitor information services; and
e) To undertake any other activities or functions assigned by the Lieutenant Governor in Council.

**Alignment with Government's Direction**
Tourism Saskatchewan's 2012-2013 Annual Report aligns with Government's Vision and four Goals:

**Our Government's Vision**
A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

**Government's Goals**
1. Sustaining growth and opportunities for Saskatchewan people
2. Improve our quality of life
3. Making life more affordable
4. Delivering responsive and responsible government

Government's Vision and four Goals provide a directional framework for ministries, agencies and third parties. Tourism Saskatchewan's 2012-2013 activities align with these priorities in an effort to achieve greater success in the efficient delivery of Government services.

Together, all ministries and agencies support the achievement of Government's four Goals and work toward a growing and prosperous Saskatchewan.

Tourism Saskatchewan is the vehicle through which Saskatchewan is promoted as a tourism destination. Its work includes providing in- and out-of-province marketing of tourism, leading industry-government marketing programs, providing visitor services, undertaking market research, and engaging in tourism product development and community and destination area planning.

The organization also focuses on human resource development through its education and training branch, the Saskatchewan Tourism Education Council (STEC).

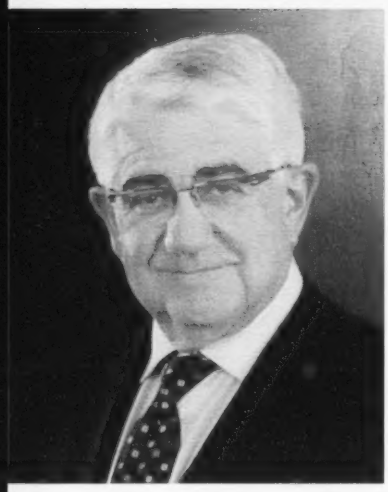
Saskatchewan's tourism sector contributes significantly to the economy, generating over $2 billion in travel expenditures in 2011. Over 11.9 million visits were made to and within the province that year.* Approximately 4,000 tourism-related businesses in the province provide full- and part-time employment to 57,300 citizens, 10 per cent of the working population.

***Saskatchewan Plan for Growth: Vision 2020 and Beyond***
"Attracting Visitors and Tourism to Saskatchewan" is a priority identified in the *Saskatchewan Plan for Growth*. The document makes the following statement on page 43:

Through Tourism Saskatchewan, the Government of Saskatchewan will increase the economic benefits to the province from tourism by:
- Aggressively promoting the province as a tourist destination;
- Developing a provincial strategy for major event hosting while supporting upcoming events such as, the 2013 JUNO Awards, 2013 Grey Cup, 2013 MasterCard Memorial Cup and 2014 North American Indigenous Games; and
- Strengthening tourism opportunities and improving Saskatchewan's parks and outdoor products, such as sustainably developing the lakefront potential around Lake Diefenbaker.

**Figures for 2011 were determined by Statistics Canada using new methodology and, therefore, are not comparable to data for the previous year.*

# MESSAGE FROM THE CHAIR



For Tourism Saskatchewan's Board of Directors, a highlight of the 2012-2013 fiscal year was selecting a new CEO from the slate of worthy candidates who expressed interest in the position. On November 9, I had the distinct pleasure of announcing our choice and introducing Pat Fiacco to the staff.

My Board colleagues and I value the opportunity to serve Tourism Saskatchewan at a time that offers stimulating challenges. With new responsibilities, direction and leadership come new opportunities and we are all pleased to be on this journey with a most impressive organization and sector.

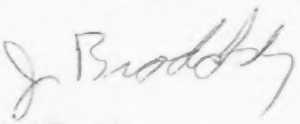
Tourism is an intensely competitive business, one that presents on-going challenges but that sees innovative practices and forward thinking pay dividends. Tourism Saskatchewan has repeatedly demonstrated its aptitude on this front, particularly through its work in marketing, e-business and social media. The creation of a new events website, Saskatchewan2013.com, is just one example of how consideration of future opportunities is so vitally important, as is partnering with popular events that attract huge attendance and national and international media coverage.

The organization's new focus on events and its work in developing an event hosting strategy will lead to greater opportunities for partnerships and uncover ways in which communities outside of our major cities can be a part of the action.

In addition to embracing new initiatives, it is important to build on past successes and a firmly-established foundation. Tourism Saskatchewan's education division, the Saskatchewan Tourism Education Council (STEC), is widely-known and respected for its delivery of training and educational programs that benefit employers and employees, and enhance the quality of tourism products and experiences. As well, Tourism Saskatchewan has a proven track record in industry development. The assistance and expertise shared with communities and destination areas have sparked optimism in various parts of the province, leading these areas to become travel hotspots.

The Board of Directors recognizes the challenge presented by a change in the fiscal year. Tourism Saskatchewan's management and staff are to be commended for adapting to the new calendar with utmost professionalism. Like so many of the people who make their livelihood in tourism, their ingenuity and deep commitment to the sector, coupled with immense pride in their province enable them to manoeuvre change responsibly and smoothly.

New mandated purposes, outlined in *The Tourism Saskatchewan Act* that was passed July 1, 2012, set the course for the strategic direction and the operational activities outlined on the following pages. Clearly, these are eventful and interesting times at Tourism Saskatchewan, and I consider it a privilege to serve as Chair and work with a great group of Board colleagues and with a most dedicated CEO, Executive Leadership team and staff.



Jack Brodsky
Chair, Board of Directors

# BOARD OF DIRECTORS

***From Left to Right:*** *Brian Simpson, Dana Soonias, Sandra LeBarre, Norm Beug, Jack Brodsky, Lionel Tootoosis, and Irene Seiferling.*

With the passing of *The Tourism Saskatchewan Act* on July 1, 2012, a new seven-member Board of Directors was appointed. As a skills-based board, members bring solid business knowledge and experience to their role in providing broad policy direction to the Treasury Board Crown Corporation.

Board members share their expertise with three committees:

- Audit Committee
- Governance Review Committee
- Human Resource Committee

Tourism Saskatchewan acknowledges the following individuals for their commitment to serving on the Board of Directors:

**Jack Brodsky**, Chair
**Brian Simpson**, Vice-Chair
**Norm Beug**
**Sandra LeBarre**
**Irene Seiferling**
**Dana Soonias**
**Lionel Tootoosis**

# MESSAGE FROM THE CEO

When I arrived at Tourism Saskatchewan in November 2012, it became immediately clear to me that management and staff were navigating the significant changes to the organization with precision, optimism and unwavering focus on achieving growth and benefits for the tourism sector.

The fiscal year change came shortly after I started with the organization. Given that Tourism Saskatchewan is a Treasury Board Crown Corporation, the decision on the part of the Government to bring us into alignment was understandable. The challenges have been interesting, to say the least, ranging from revising budgets and projections to addressing scheduling and planning issues to reporting on a six-month fiscal period.

Mid-winter, our research department acquired data on tourism spending in 2011. Methodological changes implemented by Statistics Canada resulted in impressive numbers for visitation and travel spending in Saskatchewan. However, these changes precluded comparison to 2010 figures. We are, therefore, unable to measure the exact rate of growth in tourism spending and visitation over the previous year. But what we gained from this challenge is an important baseline by which to track new data and, I say with confidence, new growth.

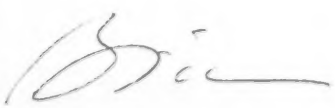
The change in our fiscal year also warrants a new baseline for other measurements, such as web visits and consumer contacts. The figures on the following pages reflect results gathered between April 1, 2012 and March 31, 2013. Activities, other than financial, are reported within the same period.

Changes in Tourism Saskatchewan's mandate triggered a shift in priorities and in the organizational culture and structure. The transfer of the government's Tourism Initiatives Branch to our organization has expanded our office "family" and resulted in stimulating new areas of focus, specifically in event hosting and sponsorship. Last fall, the Government unveiled the *Saskatchewan Plan for Growth*, which affirms attracting visitors and tourism as a priority. A step toward achieving the identified goals is developing an event hosting strategy, led by Tourism Saskatchewan. It is exciting to be part of this vision for the future and we are excited to "lead the charge" on this important initiative.

Strategic planning is another project that entered its initial phase this year, with the Board of Directors and Executive Leadership engaged in facilitated sessions that challenged us to look at matters through several different lenses and consider alternate courses to achieve success. We look forward to the next steps that include comprehensive industry consultation. Ultimately, this planning exercise will determine a vision to 2020 and build a pathway to growth.

A new organizational structure positions Tourism Saskatchewan to manage the challenges of its mandate and the realities of a fiercely competitive global tourism market. Reporting to Executive Office, the three Executive Leadership Divisions – Marketing and Communications, Industry and Community Development and Corporate Services – are quickly proving their value. I consider myself fortunate to work alongside a great team of colleagues in our Regina headquarters, Saskatoon office and five field offices spread across the province. As well, I am grateful for the support and guidance provided by a most knowledgeable Board of Directors.

The pages of this Annual Report provide a snapshot of the fine work that has been conducted by Tourism Saskatchewan over the past year and reflect another interval of sound financial management.



Pat Fiacco
CEO

# TOURISM SASKATCHEWAN

*Echo Valley Provincial Park*

A Treasury Board Crown Corporation, Tourism Saskatchewan is responsible for marketing Saskatchewan as a destination and for programs and services that promote growth and advancement of the tourism sector. Working with industry, government partners and a number of stakeholders, Tourism Saskatchewan strives to be innovative, efficient and effective in its work. The corporation leads a variety of initiatives across a broad range of areas – marketing, education, human resource development, visitor services, industry development, research and others.

In March 2012, the Government announced that Tourism Saskatchewan would become a Treasury Board Crown Corporation. Influencing this decision were points identified in a review commissioned by the Government of Saskatchewan in 2009. *A Review of the Tourism System in Saskatchewan* and its findings and recommendations were made public in March 2012.

Four specific items were identified by Government that would align the Tourism Saskatchewan's activities and focus with the Government's agenda:
1. Better coordination of the provincial image;
2. Lead, with input from the tourism industry and stakeholders, a long-term vision for tourism in Saskatchewan;
3. Develop an event hosting strategy for Saskatchewan; and
4. Conduct a functional review of the organizations within the guidelines issued to all government ministries.

Responsibility for Tourism Saskatchewan is delegated to the Ministry of the Economy.

On November 9, Pat Fiacco was introduced as Tourism Saskatchewan's CEO. In January 2013, the Government's Tourism Initiatives Branch was transferred to Tourism Saskatchewan. Internal restructuring has resulted in three primary divisions reporting to Executive Office.

# ORGANIZATIONAL STRUCTURE

**Executive Office**
Tourism Saskatchewan's Executive Office is responsible for the framework and day-to-day oversight of all operational activities, and serves as the main interface between the corporation, its Board of Directors and Government. Through the Chief Executive Officer (CEO), the department leads Tourism Saskatchewan in the delivery of its mandate and vision, manages government and community relations, nurtures stakeholder and industry partnerships and oversees the strategic plan and tactical operations. Additionally, Executive Office provides administrative support to the Board of Directors.

**Marketing and Communications**
Tourism Saskatchewan's Marketing and Communications division is responsible for campaigns and initiatives that promote Saskatchewan tourism experiences and generate visitation to and within the province. With staff in Regina and five field offices across Saskatchewan, the team works closely with industry, providing operators with opportunities to market their products. The team also manages industry and corporate communications, conducts research to determine high-impact target markets that produce the greatest return for the province's tourism operators and delivers professional travel counselling through its Regina headquarters and five Visitor Reception Centres located at key Saskatchewan gateways. Marketing and Communication's departments include:
- Online Marketing
- Field Operations
- Markets, Advertising and Media
- Communications
- First Impressions
- Research

**Industry and Community Development**
Tourism Saskatchewan's Industry and Community Development division supports efforts to attract national and international events to the province and manages sponsorships that assist communities with event hosting. The division is responsible for tourism education and training, along with quality assurance, to enhance service standards and address the challenges of a competitive labour market. With staff in both the Regina and Saskatoon offices, the team assists destination areas and communities in developing and coordinating tourism assets to enrich the quality of experiences. Industry and Community Development's departments include:
- Planning and Event Strategy
- Industry Development
- Saskatchewan Tourism Education Council (STEC)
- Quality Assurance

**Corporate Services**
Tourism Saskatchewan's Corporate Services division is responsible for providing leadership and coordination in the areas of financial services, annual operating and capital budget development, forecasting, enterprise risk management, legislative compliance and contract management. The division strives to provide excellent internal customer service that enables the corporation to deliver efficient and effective programs and services, and connect with industry and stakeholders. Additionally, it manages human resources, organizes corporate events, oversees technological support functions and is responsible for information collection, privacy protection and records management. Corporate Service's departments include:
- Finance and Administration
- eBusiness and Technology
- Human Resources
- Corporate Events

# MARKETING AND COMMUNICATIONS

Tobin Lake

# MARKETING AND COMMUNICATIONS

The Marketing and Communications division promotes Saskatchewan by articulating the province's unique tourism experiences in a manner that champions a positive image to potential visitors and citizens alike. The division's six departments – Online Marketing, Field Operations, Markets, Advertising and Media, Communications, First Impressions and Research – produce solid results individually, as well as collectively, which is particularly evident in successful annual campaigns.

## SASKATCHEWAN CAMPAIGN

Tourism Saskatchewan's 2012 *Embrace A New Place* campaign was its first foray into marketing directly to Saskatchewan residents. This was undertaken in addition to its traditional focus on Alberta, a primary target market that delivers a strong return on investment.

The multi-media campaign included television, radio, print, outdoor, online advertising, email marketing, social media activities, newspaper advertorials and contesting to drive traffic to TourismSaskatchewan.com.

The Saskatchewan component of the campaign was designed to instill pride, build a sense of place and encourage residents to discover new vacation destinations and experiences. Its ultimate goal was to encourage citizens to explore new places and spread the word about Saskatchewan's many great tourism attractions.

Likewise in Alberta, the campaign urged consumers to explore new places and new vacation experiences in Saskatchewan. Television was the primary advertising medium, supported by online advertising on associated television websites. Print advertising included a 10-page advertorial in *Westworld Alberta* magazine.

Part of the overall television media plan included 30-second spots during Saskatchewan Roughrider games aired on TSN. While the target audience was Saskatchewan and Alberta, these spots ran nationally, carrying the *Embrace A New Place* message across Canada.

The Alberta- and Saskatchewan-targeted television campaigns, combined, generated over 11 million impressions. The radio campaign in Saskatchewan generated an additional two million impressions.

With a budget of $900,000, the campaign generated direct economic impacts of $41.84 million, for a return on investment of $46 for each dollar spent on advertising. Seventy-six industry partners invested close to $200,000, boosting the total cooperative advertising component to just under $400,000.

Tourism Saskatchewan's *Embrace A New Place* campaign earned national recognition when it was named a finalist for a *Canadian Tourism Award*, in The Fairmont Hotels & Resorts Marketing Campaign of the Year category.

Building on the success of 2012 efforts, Tourism Saskatchewan shot additional video footage and developed new creative for the 2013 campaign themed *See You in Saskatchewan*. Its elements are notably high energy, emphasize fun and focus on the personal experience of vacationing in Saskatchewan. The television, print and online campaign will target residents of Saskatchewan and Alberta.

## ONLINE MARKETING

The Online Marketing department engages in research, strategy, execution, monitoring and measurement of Tourism Saskatchewan's online marketing activities. The team's areas of responsibility include: desktop and mobile website design and maintenance; social media engagement across multiple channels; content creation, including online copy, video, blogs and images; support of general advertising and cooperative campaigns; planning and execution of online-only campaigns; online, search, mobile and social advertising; mobile apps; and providing relevant advice and training for staff and industry members.

- Online advertising was responsible for 480,271 visits to Tourism Saskatchewan's websites, or 29 per cent of overall visits.
- Total visits to Tourism Saskatchewan's websites numbered 1,528,500.
- Advertising on *Facebook* resulted in nearly 108 million impressions, while Tourism Saskatchewan's *Facebook* page saw over 1.7 million impressions.
- *SaskSecrets*, Tourism Saskatchewan's popular online newsletter, is subscribed to by more than 24,000 readers who value its stories about Saskatchewan experiences and destinations, along with the contests and travel packages that are featured.
- Social media channels engage travellers and create awareness about tourism products and experiences available in Saskatchewan. In addition to its established presence on *Facebook*, *Twitter*, *YouTube*, *Pinterest* and *Google+*, Tourism Saskatchewan became active on *Tumblr* and *Instagram*.
- Preliminary work began on an upgraded design and hosting environment for Tourism Saskatchewan's fishing website, fishing-in-saskatchewan.com.
- Online contest entries: *Embrace A New Place* – 14,531, *Choose Your Saskatchewan Adventure* – 42,562.

## SASKATCHEWAN2013.COM

Saskatchewan is renowned for its hospitality and has a proud record of success when it comes to hosting large-scale national and international events, such as sports championships, performance showcases and award galas.

In 2013, the province has the opportunity to uphold its reputation several times over. Attention will be focused on Saskatchewan during the PotashCorp University Cup (Saskatoon), JUNO Awards (Regina and Moose Jaw), MasterCard Memorial Cup (Saskatoon) and 101st Grey Cup (Regina), to name just a few of the distinguished events that will be hosted here. Numerous other festivals and competitions will bring profile and visitors to the province and have a positive economic impact.

Tourism Saskatchewan is doing its part in the promotion of events through the creation of a new website, Saskatchewan2013.com. The site provides consumers with details about numerous events that are scheduled this year. Signature celebrations, such as the JUNO Awards and Grey Cup, are featured on the home page, while additional pages contain information on other major events and a number of popular long-standing festivals.

The site also offers suggestions on other activities to consider while visiting the province. Pages offer easy access to schedules and information about activities one week prior and following each major event. Information about nearby attractions and accommodations is also included. The site is viewable on computers, tablets and smartphones, and includes links to the wealth of travel planning information featured on Tourism Saskatchewan's main website.

The official launch of Saskatchewan2013.com took place in Saskatoon on February 28. A media event was held at the Top of the Inn, Sheraton Cavalier Hotel. CEO Pat Fiacco emceed the event and delivered remarks. Additional speakers included the Honourable Tim McMillan, Minister Responsible for Tourism Saskatchewan, as well as representatives of several major events.

## CONSUMER CONTACTS

Through advertising and marketing, consumers were exposed to positive messages about Saskatchewan more than **732 MILLION** times.

An additional **810 MILLION** exposures were generated through unpaid media, such as hosted writers for magazines, TV shows and other travel media.

Potential visitors made more than **2.4 MILLION** contacts with Tourism Saskatchewan, gathering information about the province's experiences and tourism products.

More than **1.2 MILLION** of these were directly attributable to advertising and marketing activities.

### MARKETS, ADVERTISING AND MEDIA

The Markets, Advertising and Media department is responsible for Tourism Saskatchewan's marketing campaigns, as well its collection of photography and video assets that showcase tourism products and experiences. Staff work with industry to determine marketing opportunities and strategies for operators, and represent the province and sector at marketplace events. Collaboration with North American and overseas travel trade results in beneficial relationships and the development of opportunities for Saskatchewan operators and their products.

#### Media Publicity

• The travel media assistance program provided financial support to 70 individual and group visits, resulting in approximately $3.8 million in exposure through print, television and web-based media in Canada, the United States, United Kingdom and Germany. A further $3 million in non-influenced exposure was recognized in Canadian and U.S. markets through Tourism Saskatchewan's subscribed media monitoring service. An additional 13 media guests were supported with the necessary travel documents to visit Saskatchewan and complete their stories.

• As a direct result of media sales missions in the Denver, CO area over the past three years, *Backpacker Magazine*, *Elevation Outdoors* and photographer Eric Lindberg travelled to Saskatchewan during the winter to report on Sundogs Sled Excursions and Paws n' Paddles.

• The Travel Media team hosted three media on a RV familiarization (FAM) tour to southwest Saskatchewan. Travelling to Cypress Hills, Grasslands National Park and the East Block Badlands, the tour included chef Renee Kohlman, who prepared Saskatchewan culinary delicacies.

• Tourism Saskatchewan hosted several international media, including Hendrik Breuer, who visited Arctic Lodges in June for assignments with *Blinker* and *FliegenFischen* – leading European angling magazines. Kalle Harberg of *Merian Magazine*, a German travel and culture publication, visited several Saskatchewan locations. In co-operation with Tourism Saskatoon, five bloggers, representing Canada, Japan, Brazil, Germany and the United Kingdom, were hosted as part of the Canadian Tourism Commission (CTC)'s Global Blogger FAM Tour last summer.

**Consumer Shows and Marketplaces**

• Saskatchewan was represented at 22 trade shows in Canada and the United States. Tourism Saskatchewan's investment of $78,000 enabled 77 partners to participate in 18 shows, where approximately 33,000 contacts were made, leading to three million visitor impressions.

• Tourism Saskatchewan attended the *International Sportsmen's Expositions* in Denver for the fourth year, and Salt Lake City for the second year. In addition, 22 Saskatchewan lodge operators participated in these two trade shows that attract 65,000 fishing and hunting enthusiasts.

• The Calgary Stampede, which marked its 100th anniversary, was one of the busiest showcases. Tourism Saskatchewan's booth had almost 5,000 visitors, and nearly 2,000 greenscreen images where taken. An increase of 35 per cent in booth activity occurred over the previous year.

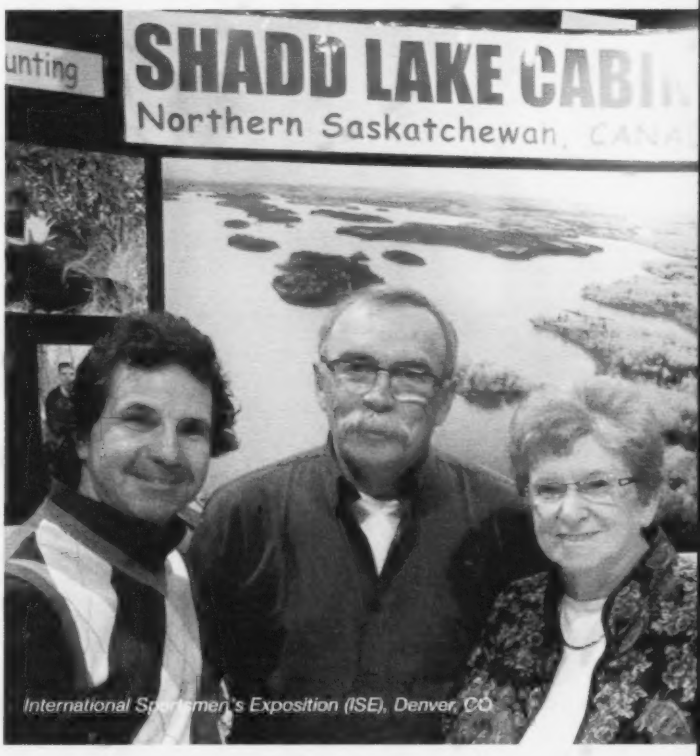
**Advertising**

• U.S. advertising focused primarily on promoting Saskatchewan's world-class fishing and hunting product. Promotion included television advertising on *In-Fisherman*, *Midwest Outdoors* and *Fish TV*, magazine advertising in *In-Fisherman*, *Game and Fish*, and *All Canada Adventures*, and card deck placements targeting the North American Hunting Club (500,000 circulation), North American Fishing Club (300,000), and two editions of Marketshare's Ultimate Outdoors Action Pack (1,000,000). Online initiatives included banner advertising on the *World Fishing Network*, *Facebook*, and *Casale Media*'s curated web network.

**Travel Trade**

• Efforts to build awareness in the German market included consumer promotions, attendance at the International Tourism Bourse (ITB), creating new German language promotional materials, seeking new trade marketing partnerships and training travel agents. Tourism Saskatchewan hosted a CTC Canada Specialist Program FAM for six German travel trade representatives. The project required working with 29 Saskatchewan industry partners to showcase the province. More than 980,000 consumers and over 10,000 travel influencers were reached through these efforts. Six tour operators added new Saskatchewan listings or itineraries, for a total of 13 new saleable products in Germany.

• Tourism Saskatchewan worked closely with industry on applications to the CTC's *Signature Experience Collection*. The outcome was three new businesses accepted into this overseas trade marketing program, bringing Saskatchewan's total to five.



International Sportsmen's Exposition (ISE), Denver, CO

• A trade readiness workshop was hosted for nearly 40 industry members interested in working with the overseas trade market.

• Tourism Saskatchewan was represented at four trade marketplaces in the United States, Canada and Germany, and at two agent events in Alberta. Additionally, it partnered in a trade sales mission to Denver. These efforts resulted in valuable contacts with 350 key travel influencers.

**Special Projects**

• Tourism Saskatchewan partnered with Sport Tourism Saskatchewan (a collaboration of Sport Tourism Saskatoon and Regina Regional Opportunities Commission) in representing the province at the SportAccord International Convention in Quebec City. A key forum for event attraction and marketing sport venues, the convention brings together an international delegation of sporting organizations.

• Tourism Saskatchewan continued to collaborate with the province's airports and city tourism marketing organizations on a long-term plan to improve air access and attract overseas routes to Saskatchewan. The project has received three-year funding of $304,000 through Western Economic Diversification.

Nistowiak Falls

Grasslands National Park

Kitesurfing near Last Mountain Lake

**FIELD OPERATIONS**

Tourism Saskatchewan's five field offices are located in Moose Jaw, Weyburn, Arborfield, North Battleford and La Ronge. Field Representatives engage industry by acting as the first point of contact for tourism operators and businesses. The department is responsible for coordinating a variety of marketing activities, administering cooperative marketing and training opportunities, meeting with communities and destination areas, attending consumer marketplaces and liaising with tourism operators. The team provides regular frontline communication to industry and assists with product development efforts, media visits and trade FAMs to the respective areas.

• Tourism Saskatchewan provides cost-shared assistance for tourism operators to participate in a coordinated provincial advertising campaign. This investment supports partnered activities that promote a tourism attraction, event or experience. Field Representatives coordinate details and work with industry partners and media suppliers to ensure the needs of operators are met and that the program is delivered successfully. Field staff were instrumental in the partner buy-in for the *Embrace A New Place* campaign. This work with operators resulted in 76 participants investing nearly $200,000 of their own marketing dollars into the campaign.

• Partnerships were nurtured for a winter marketing campaign that received cooperative advertising buy-in by 17 operators/organizations, for a total investment of over $46,000.

Fort Battleford National Historic Site

Wakaw Lake Regional Park

## COMMUNICATIONS

The Communications department markets Saskatchewan through the development of materials for a variety of communications, marketing promotions, media relations, corporate communications and other initiatives. Through strategic communications planning, it works collaboratively with all areas of the organization to proactively identify communication opportunities, while providing advisory expertise, leadership and positive support to all projects. The department is responsible for the provincial travel literature series, corporate publications, such as the annual report and business plans, speech writing and Executive Office communications, advertising sales, event coordination support, media relations and issues management. Communication with industry is addressed through content development and maintenance of the industry website, regular electronic bulletins and a quarterly newsletter.

• Industry communication was conducted through a variety of mediums, including the quarterly printed newsletter *Going Places*, the industry website, industrymatters.com, and the *Industry Update* and *Here & There* electronic newsletters. These efforts provide pertinent information to industry in a timely and efficient manner.

### TRAVEL LITERATURE

Tourism Saskatchewan's travel guides are core marketing pieces for the organization and the sector. The *Saskatchewan Discovery Guide* is a comprehensive travel publication filled with information about communities, events, attractions, parks, history, culture, accommodations, campgrounds, suggested itineraries and opportunities for adventure and recreation. The *Saskatchewan Fishing & Hunting Guide* features stories and articles on outdoor operators, prime locations and topics of keen interest to U.S. and Canadian hunters and anglers. *The Perfect Drive: Saskatchewan Golf Vacations* and the *Official Saskatchewan Road Map* complete Tourism Saskatchewan's travel literature series.

Distribution of the 2012 travel guides was a resounding success. As of March 2013, 169,505 copies of the *Saskatchewan Discovery Guide* (97 per cent of those printed), 71,488 copies of the *Saskatchewan Fishing & Hunting Guide* (95 per cent), and 63,631copies of *The Perfect Drive: Saskatchewan Golf Vacations* (85 per cent) were distributed to travellers and potential visitors.

All of the 2013 travel guides were produced on time and within budget. Consumer and bulk distribution demand for the printed travel guides remains strong for the period of December 2012 to March 31, 2013. As of March 2013, 54,978 copies of the *Saskatchewan Discovery Guide* and 49,814 copies of the *Saskatchewan Fishing & Hunting Guide* have been distributed, a 13 per cent increase over the previous year.

**Saskatchewan Tourism Week**

• Tourism Saskatchewan joined forces with other provinces to celebrate *National Tourism Week* from May 14-21. The week was launched at an event held at the Saskatchewan Science Centre's IMAX Theatre. More than 40 events were held in communities across the province. Media coverage before, during and after the week was impressive, with tourism stakeholders, representatives of Tourism Saskatchewan and other industry "ambassadors" participating in interviews with radio, television and print media. Tourism Saskatchewan launched its 11th annual *Snap It! The Great Saskatchewan Photo Contest* as part of the festivities. The contest received close to 1,200 entries before its October 1, 2012 deadline. Province-wide radio trivia contests, newspaper ads and inserts, news releases and additional promotion further communicated messages about the importance of tourism to Saskatchewan residents.

**Tourism Advertorials**

• As part of the *Embrace A New Place* campaign, Tourism Saskatchewan, once again, partnered with PostMedia to publish a series of 12 one-page, full-colour articles in the *Regina Leader-Post* and *Saskatoon StarPhoenix*. Eleven of the 12 pages were placed in Saturday editions. Topics included golf, fishing, festivals and events, urban playgrounds, outdoor adventure, provincial parks and other tourism-related themes. Post-advertising surveys identified that recall of the advertorials was strong amongst the general population, as high as 17 per cent for any single placement. Of those who saw the pages, 68 per cent took at least one non-business trip in the province this past summer. The advertorials saw over one million impressions and, additionally, provided an opportunity for tourism businesses to purchase an ad in the placement(s) of their choice.

**Opportunities Catalogue**

• In collaboration with other departments, the Communications team compiled a comprehensive Opportunities Catalogue that lists programs, services and opportunities for advertising, marketing, training and industry development offered by Tourism Saskatchewan. The Opportunities Catalogue lives online, allowing for continuous updating as programs are added, changed and/or revised.

**FIRST IMPRESSIONS**

The First Impressions department provides visitors and potential visitors with information on Saskatchewan's tourism experiences through in-person counselling and via telephone, online, social media and mail. The primary goal is to encourage visitation to and within the province, increase length of stay, and broaden knowledge of tourism experiences available. Services are provided through the Regina headquarters, as well as five seasonal Visitor Reception Centres. The Visitor Services team is also responsible for distribution of the travel literature series and merchandise sales at the Visitor Reception Centres and the Regina office.

• Visitor Services provided services to approximately 106,000 actual and potential visitors via telephone, visits to the websites, live chat, email inquiries, direct email responses and in-person.

**RESEARCH**

The Research department measures results and return-on-investment (ROI) through marketing, economic and industry research. The information gathered helps to determine key markets for growth, success of past marketing campaigns, current travel trends, and the role of tourism in the economy. The department conducts surveys with industry and consumers, and the information is shared with government and key stakeholders.

• New figures were provided for total visits and traveller expenditures in Saskatchewan during 2011. Statistics Canada, which conducted the research, used new methodology in the collection of domestic tourism statistics. As a result, 2011 totals cannot be compared to any previous years.

• In 2011, travellers spent an estimated $2 billion in Saskatchewan. There were 11.9 million visits (both same day and overnight or longer trips) made to and within the province.

**RESEARCH PROJECTS**

Tourism Saskatchewan conducted a number of research projects, including both contracted and in-house surveys of consumers and the tourism industry. Contracted consumer research projects included: post-advertising awareness surveys in Saskatchewan and Alberta and a survey of inquirers to determine conversion to visits. In-house surveys included a study of the effect of the school year change on tourism operations. This was conducted in August 2012. In February 2013, operators were surveyed, via email, to determine market priorities and guage future growth potential. The results are being used in Tourism Saskatchewan's strategic planning.

# INDUSTRY AND COMMUNITY DEVELOPMENT

*SaskPower Windscape Kite Festival, Swift Current*

# INDUSTRY AND COMMUNITY DEVELOPMENT

The Industry and Community Development division provides leadership and programs that enhance the tourism sector's capacity to deliver superb visitor experiences with a commitment to sustainable developments. Its four departments – Planning and Event Strategy, the Saskatchewan Tourism Education Council (STEC), Industry Development, and Quality Assurance – produce solid results individually but also work collaboratively with other divisions, as well as with government ministries and agencies, sectoral organizations, destination areas, communities and a range of partners. These relationships prove beneficial to all parties and bring profile and support to tourism businesses and activities, and help to enhance experiences and increase visitation.

## PLANNING AND EVENT STRATEGY

The Planning and Event Strategy department manages Tourism Saskatchewan's major sponsorship program and leads the development and implementation of a comprehensive event hosting strategy for Saskatchewan. The team is responsible for coordinating tourism policy, leading program review, and creating briefing materials and strategic documents, including Cabinet items, for senior management and government.

Formerly a branch of the Ministry of Parks, Culture and Sport, as well as the Ministry of the Economy, Planning and Event Strategy was transferred to Tourism Saskatchewan in January of 2012. The move consolidated the government's support for tourism into a single entry point.

### Event Sponsorship

• Tourism Saskatchewan supports events to expand tourism revenue, create employment, encourage volunteerism, increase entertainment opportunities for residents and non-residents alike and solidify our provincial identity. New guidelines were developed for event sponsorships. Criteria were developed for two categories – requests under $5,000 and over $5,000. In 2012-2013, 15 events were supported and over $2.25 million was invested to host major events across Saskatchewan.

### Venture Project Program

• Tourism Saskatchewan and the Saskatchewan Association of Agricultural Societies and Exhibitions (SAASE) announced the renewal of the enhanced

### EVENT HOSTING PROGRAM

| | |
|---|---|
| 2013 JUNO Awards and JUNOs Week | $1,500,000 |
| MasterCard Memorial Cup | $250,000 |
| 1812 Bicentennial | $50,000 |
| Back to Batoche Days | $50,000 |
| 2012 Capital One Canada Cup of Curling Championship | $50,000 |
| 2012 Saskatchewan CPGA Dakota Dunes Casino Open | $50,000 |
| APTN Aboriginal Day Live & Celebration | $50,000 |
| Prince Albert Air Show | $49,800 |
| River Lights Festival | $50,000 |
| Senior Little League Baseball Championship | $50,000 |
| SaskPower Windscape Kite Festival | $50,000 |
| Canadian Country Music Awards | $25,000 |
| Canadian Gymnastics Championships | $15,000 |
| Skate Canada Challenge | $10,000 |
| Spirit of Our Nations Cultural Celebration & Pow Wow | $5,000 |

**TOTAL: $2,254,800**

*Funding levels reflect the amounts paid during the 2012-2013 fiscal year only and may not reflect the total funding paid to individual events.*

*Back to Batoche Days*

**Future Commitments**

2014 North American Indigenous Games ..... $3,500,000

*Venture Project Program.* Tourism Saskatchewan's contribution of $50,000 added to the $45,000 of SAASE funding brings the total to $95,000 to be used for community and event development through Saskatchewan's Agricultural Societies. Tourism-related events that have benefitted from this partnership include the Bruno Cherry Festival, Swift Current Exhibition Southwest Marketplace, Saskatchewan Burrowing Owl Interpretive Centre and Mortlach Saskatoonberry Festival.

**Event Hosting Strategy**

• Preliminary work began on a provincial strategy for major event hosting, led by Tourism Saskatchewan. The strategy will build on past efforts and involvement in event hosting to support the goals of attracting more visitors and tourism to Saskatchewan. It will examine identifying, attracting, and bidding on national and international events. Additionally, opportunities to involve communities outside of major cities will be explored. The strategy is targeted to launch in late 2013.

**INDUSTRY DEVELOPMENT**

The Industry Development department is responsible for the initiation and support of tourism planning and development activities that expand tourism in the province. This work is undertaken in collaboration with tourism businesses, attractions and all levels of government, with the objectives of increasing visitor expenditures and developing the province as a more competitive, investment-ready and marketable destination.

The department provides consultative services to assist in developing and implementing community and regional tourism plans. This is achieved through facilitating strategic planning processes which examine organizational structure, reporting requirements, partnership development, funding opportunities, budgeting requirements, training initiatives, upgrades to infrastructure and marketing strategies. Support for plan implementation is maintained through ongoing communication with destination area staff, board and industry.

## CYPRESS HILLS DESTINATION AREA

There were significant achievements made in the Cypress Hills Destination Area (CHDA) in 2012. The Meadows campground development project in Cypress Hills Interprovincial Park was completed and opened to the public during the July long weekend. The development included a new major service centre and completed the electrification of 118 campsites. The bridge over Battle Creek in the West Block of the park was upgraded, improving the road connection with the Alberta section of the park. The CHDA is also expanding its fixed-roof capacity with a new 80 room Canalta Hotel property in Shaunavon and a new Maple Creek hotel property that is currently in the planning stages.

During 2012, Cypress Hills Destination Area Inc. was incorporated to manage the implementation of the strategic plan. The process included open houses in six communities, attended by over 100 participants. These assemblies were facilitated by Tourism Saskatchewan's Industry Development professionals. The CHDA now has 12 active funding partners for its newly formed Destination Marketing Fund (DMF), with two collaborative partners and four core funders in place. Money collected through the DMF will be used to further market the region and ensure ongoing stability for the organization. The Board of Directors and CHDA staff are active in preparations for a Spring Forum, scheduled for April 2013. The meeting will bring together active and potential members of the DMF, local municipalities and interested southwest stakeholder groups for an evening information session on the CHDA marketing activities and DMF project.

Marketing and Administration staffing is in place and the launch of a new marketing campaign will be kicked off in spring 2013, complete with the new www.visitcypresshills.ca website.

**Destination Areas**

• **Lake Diefenbaker Tourism Destination Area** – Implementation of the Lake Diefenbaker plan continued during 2012-2013, with Lake Diefenbaker Tourism managing regional marketing activities. A new website, www.lakediefenbakertourism.com, was launched early in 2013. Financing was secured for construction of the $32.3-million Dakota Dunes Hotel. It will be located adjacent to the Dakota Dunes Casino and Entertainment Centre and the Dakota Dunes Golf Links. The facility will include 160 rooms, meeting areas, restaurant, lounge, spa, fitness centre and swimming pool. Construction is targeted to start in spring 2013.

• **Tobin Lake** – Tourism in the Tobin Lake area has grown substantially. Tourism Saskatchewan led the draft of a destination area plan for Tobin and Codette Lakes/Carrot River Valley area, which was completed in June 2012. The respective communities chose to implement its recommendations independently.

• **Trails of 1885** – The Trails of 1885 themed destination area continued during 2012-13, supported by five funding partners (including Tourism Saskatchewan) and a volunteer Board of Directors. It is an inter-provincial initiative, with representatives from Manitoba, Saskatchewan and Alberta serving on the Trails of 1885 Association Inc. Board of Directors. A renewed plan for this themed destination area is under preparation, and will incorporate input from consultations with 1885 sites and government ministries in each participating province.

• **Waskesiu Wilderness Region** – The Waskesiu Wilderness Region (WWR) continues to build its capacity by expanding its marketing tools and building partnerships and recognition within industry by participating in travel marketplaces, such as *RendezVous Canada*. Membership in the WWR has been expanded to include food, beverage and retail operations. A $4-million project to widen, raise, and chip seal Highway 953 to Anglin Lake began last summer. Upon completion, improved access to campgrounds and commercial tourism operations will benefit both travellers and local businesses.

## COMMUNITY TOURISM PLANNING

**Yorkton**

Tourism Saskatchewan is engaged in a planning process that Tourism Yorkton initiated in November 2012. A Planning Committee involving Yorkton stakeholders held several meetings to discuss industry challenges, current marketing efforts and ideas for moving forward. The city of Yorkton is experiencing major growth in its accommodation sector, adding 269 new hotel rooms for a total of 661 – an increase of 40 per cent in just three months. The addition of a new Days Inn & Suites in March 2013, followed by Home Inn & Suites in April, and Holiday Inn & Suites in the upcoming months, further increases the room count. Tourism Yorkton's action plan will be released in June 2013, and will highlight activities and areas of focus for the organization and the city.

**Watrous and Manitou Beach**

Industry Development assisted the communities of Watrous and Manitou Beach in completing a tourism plan in June 2012. No planning of this nature had taken place in the area since 1989. Highlights included strategies for succession planning, increasing partnerships to enhance the visitor experience, improving signage and marketing Watrous and Manitou Beach as a location for meetings and conventions.
As well, the plan addresses tourism training initiatives. It examines all aspects of the local tourism industry and will guide the area toward its goal of becoming a world-class tourism destination. The first annual update is scheduled for April 2013.

**Melfort**

Tourism Saskatchewan was approached by the City of Melfort in 2012 for assistance with a planning process to increase tourism capacity. Under the guidance of the Industry Development team, a local industry stakeholder group is developing visitor profiles and identifing existing and prospective travel generators. The group is currently working toward creating an action plan.

*Manitou Beach Golf Club*

## SASKATCHEWAN TOURISM EDUCATION COUNCIL

The Saskatchewan Tourism Education Council (STEC) is responsible for the coordination of human resources development initiatives and the provision of education and training to support Saskatchewan's tourism sector. Its mandate addresses human resource management, employee recruitment and retention, post-secondary and technical training, awareness of tourism as a viable career choice, and the development of a professional and more representative tourism workforce.

STEC develops recruitment, training and retention products that strongly match market demands. It assists with the development and implementation of a province-wide Quality Assurance program. Admired for its outstanding record of collaboration with partners, STEC delivers numerous industry-supported programs, supports the development and sustainability of successful service-driven businesses, and promotes the development of tourism-ready communities.

### INDUSTRY TRAINING

STEC provided training services and skill development products to

**3527** participants, including:

**1554** *Service Best, Service Best* Management, *Showing We Care,* and *Selling is Service*

**1080** *Serve It Right Saskatchewan*

**298** *Responsible Gaming for VLT Site Operators*

**210** *Workplace Hazardous Materials Information System (WHMIS)*

**200** *Essential Skills Series*

**99** *emerit* standards-based training

**34** participants in *HR Essentials* workshops

**31** *Workplace Trainer*

**21** facilitators train to deliver STEC workshops, *Ready To Work* skills, and other HR development training

Tourism Certified Professional

## EMPLOYER OF CHOICE

The tourism *Employer of Choice* program, launched by STEC in 2009, is designed to assist tourism businesses attract and retain the best staff and develop a more highly skilled workforce. Eleven businesses/organizations, including Tourism Saskatchewan, earned *Employer of Choice* designation in 2013.

CAA Saskatchewan (2013)
Days Inn Regina – Eastgate by D3H Hotels (2010–2013)
Days Inn – Regina Airport West by D3H Hotels (2011–2013)
Delta Regina (2011–2013)
Gold Eagle Lodge, North Battleford (2010–2013)
HomeSuites Hotel Regina by D3H Hotels (2011–2013)
Radisson Hotel Saskatoon (2010–2013)
Prairieland Park Corporation, Saskatoon (2010–2013)
Sheraton Cavalier Saskatoon Hotel (2013)
The James Hotel, Saskatoon (2013)
Tourism Saskatchewan (2011–2013)

### *emerit* Standards and Certification

• Registration in *emerit* Professional Certification totalled 148 individuals, with 90 completing and obtaining nationally recognized *emerit* certification in their occupations.

STEC distributed Tourism Visitor Information Counsellor *emerit* National Occupational Standards to 20 community-based visitor centres across the province. All visitor centres in Saskatchewan were provided links to download the web-based version of the Tourism Visitor Information Counsellor and Tourism Visitor Information Supervisor standards. These standards provide valuable tools to help visitor centre staff and volunteers broaden their skill sets and self-confidence, improve their handling of monetary transactions, develop merchandising and selling skills and become experts in service excellence.

STEC successfully promoted business sustainability in Saskatchewan's tourism sector by recruiting industry experts to participate in revising and developing *emerit* standards and certification programs and other CTHRC development projects.

### Tourism Apprenticeships

• STEC serves as the joint Industry Joint Training Committee for Journeyperson in the Food and Beverage Person and Guest Services Representative trades, recognized by the Saskatchewan Apprenticeship & Trade Certification Commission (SATCC). Twenty-four apprentices in both tourism trades were indentured in supported projects last year, among 41 apprentices indentured in total.

During 2011-2012, in partnership with SATCC, STEC coordinated another successful Aboriginal Apprenticeship project with 31 new apprentices registered. As of September 30, nine completed journeyperson, 17 were in process and five discontinued. Over the past few years, STEC's partnerships with SATCC, Saskatchewan Gaming Corporation (SGC) and Saskatchewan Indian Gaming Authority (SIGA) have resulted in 56 apprentices registered and 26 journeypersons completed at SIGA , with an additional 31 journeypersons at SGC.

### Canadian Apprenticeship Forum

• STEC was a co-presenter, along with SIGA and SGC, at the biennial conference of the Canadian Apprenticeship Forum in June. More than 400 apprenticeship stakeholders from across Canada and the United States met in Regina to share best practices, ideas and innovations. The joint presentation described new trades and new approaches to the delivery of apprenticeship training. Saskatchewan was the first province to develop tourism trades for Food and Beverage Person and Guest Services Representative. STEC is working with the SATCC toward establishment of the Red Seal designation for these trades by encouraging other provinces and territories to participate.

### Professional Recognition Dinners

• In June, Professional Recognition Dinners held in Saskatoon and Regina honoured 120 new nationally certified tourism professionals and 40 apprentices who earned Journeyperson status. Also recognized were 74 Saskatchewan businesses that demonstrate best practices and a commitment to employee training and development.

### Canadian Academy of Travel and Tourism

• The Canadian Academy of Travel and Tourism (CATT) program ended the year with six high schools delivering tourism programs to students, with the addition of John Paul II Collegiate in North Battleford and Charlebois Community School in Cumberland House. The new schools join Nutana Collegiate Institute, Mount Royal Collegiate and Bethlehem Catholic High School in Saskatoon, and Punnichy Community High School in delivering the CATT program. Three additional schools are in the process of qualifying. The CATT program introduces and promotes careers in tourism to high school students across Canada. The program is integrated into the current high school curriculum, and allows students to specialize in tourism through a successful work and study approach.

**Responsible Gaming for VLT Site Operators Online Training**

• In partnership with the Saskatchewan Liquor and Gaming Authority (SLGA), STEC delivers the new *Responsible Gaming for VLT Site Operators Online* training. The program replaces the classroom-based Responsible Gaming for VLT Site Operators course originally developed by the SLGA. Online availability provides greater flexibility and convenience to participants, while maintaining the structure and standards of the classroom sessions.

**Market Development Plan: Recruit, Train, Retain**

• STEC continued with the implementation of its strategic Market Development Plan (MDP) initiative that began in 2010. The MDP provides a refocus of STEC's marketing efforts in a changing business environment and is designed to meet the future training and education needs of Saskatchewan's tourism operators. The plan aligns STEC's product and service offerings with three "lines of business" most readily accepted by the market. "Recruit, train, retain" becomes the core premise for creating a transformation in operators' human resource practices and labour management. This focus is critically important to the quality of the visitor experience and the overall success and competitiveness of Saskatchewan's tourism industry.

*Employer of Choice*

## READY TO WORK

STEC delivers the *Ready to Work (RTW) – Tourism Careers* program, coordinated nationally by the Canadian Tourism Human Resource Council (CTHRC). *RTW* is a career awareness, skills development and transition to employment program that assists individuals in finding long-term, rewarding careers in the tourism and hospitality sector. In 2012-13, STEC managed 27 *RTW* partner contracts to support 12 programs across the province. More than 300 individuals participated in the program, with 80 per cent obtaining employment or returning to school. STEC also completed a three-year contract with the CTHRC, during which time 867 participants registered in the *RTW*, with 701 of those finding employment or resuming their education.

Since its inception in 1994, STEC's *RTW* program has engaged more than 1,000 employers and provided training for more than 4,900 participants in Saskatchewan.

Committed to an Aboriginal recruitment and retention strategy for the tourism sector, STEC engaged in nine new partnerships with Aboriginal communities and operators, an effort that will help ease the tourism labour shortage in Saskatchewan.

**Labour Market Task Team**

• STEC updated the Tourism HR Strategy, *Charting Our Future with the Best People*, developed by the Labour Market Task Team and its predecessor, the Saskatchewan Tourism Labour Market Partnership. The Tourism HR Strategy describes a five-year framework for making tourism businesses and organizations leaders in progressive human resource practices and, ultimately, employers of choice.

The Tourism HR strategy outlines the structure, programs, services and practices that will direct STEC's efforts and resources in three strategic directions:
1. Toward enhanced support in the use of human resource best practices in the recruitment, training and development, and retention of qualified workers for current and future openings.
2. Toward greater participation, retention, and advancement of a diversified workforce including Aboriginal and other under-represented workers in the tourism industry in Saskatchewan.
3. Toward increased awareness of the numerous benefits of working in the tourism industry.

***UPSKILL Essentials to Excel***

• The *UPSKILL Essentials to Excel* research demonstration project concluded its Saskatchewan employee training phase in September 2012. The program offered employers in the accommodations industry a customized training solution for frontline staff to help improve on-the-job performance, while nurturing their professional growth. The three-year independent study was designed to achieve a reliable measurement of the impacts of essential skills training on skills, job performance, and other outcomes. In Saskatchewan, 135 workers (of 1,200 nationally) and 11 employers (of approximately 100) participated, a healthy contribution to this national initiative. A final report will be issued in mid-2013.

Funded by the Government of Canada's Office of Literacy and Essential Skills, the project is managed by the Social Research and Demonstration Corporation, a non-profit organization specializing in policy research. Local coordination was undertaken by provincial Tourism Human Resource Organizations, such as STEC, and other partners working in cooperation with the CTHRC. Needs analysis and training is completed in partnership with SkillPlan and the Training Group at Douglas College.

**QUALITY ASSURANCE PROGRAM**

The Quality Assurance Program (QAP) is built on the following three pillars:

**Define** – The QAP is a set of quality criteria defined and developed by representatives from the tourism sector's specific industries.

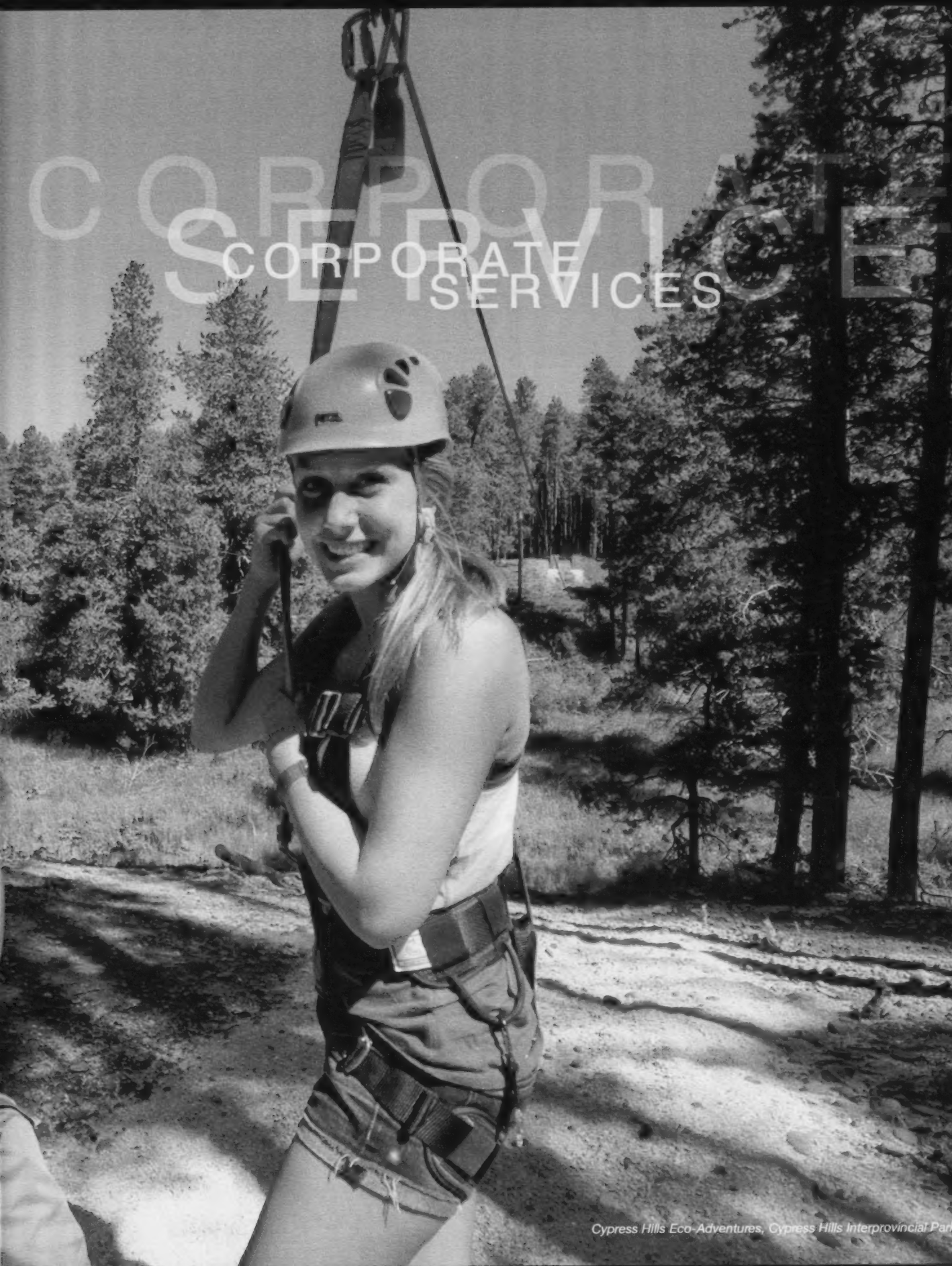
**Share** – The QAP provides tourism businesses and organizations with knowledge and support on building a culture of quality.

**Recognize** – The QAP provides recognition for participating businesses and organizations through the profile of the QAP and by offering exclusive program and service value.

The Quality Assurance department is engaged in the creation of a sector-wide Quality Assurance Program (QAP) for the province. Currently in its development phase, the industry-led QAP is scheduled to introduce its first program streams in 2013. Once implemented, the voluntary QAP will include exclusive benefits for accredited businesses.

• The QAP website, launched in April 2012, serves as one of the first points of contact with the sector. It includes updated and timely development of QAP-specific Customer Relationship Management (CRM) process that will enable lean and efficient management of the different engagement stages leading up to accreditation of a tourism business.
• Pilot testing involving four programs (accommodations, private and municipal campgrounds, museums and outdoor adventure) was completed in fall 2012. Its focus was to evaluate the effectiveness of QAP systems, processes, and tools for functionality, objectivity of evaluation and efficiency. Feedback identified areas for improvement, including changes to website content and presentation of support materials.
• Tourism Saskatchewan facilitated meetings of the following Industry Validation Committees in 2012 and evaluation criteria were completed for these five program areas: outdoor adventure, bed and breakfasts, professionally managed museums, private and municipally-operated campgrounds and events.

# CORPORATE SERVICES



*Cypress Hills Eco-Adventures, Cypress Hills Interprovincial Par*

# CORPORATE SERVICES

The Corporate Services division maintains internal and external support structures that ensure financial stewardship, a healthy corporate environment, and positive relationships. Its four departments – Finance and Administration, eBusiness and Technology, Human Resources and Corporate Events – have independent responsibilities but also work collaboratively with other divisions and provide support for initiatives led by the Tourism Saskatchewan and that are beneficial to the sector.

*La Reata Ranch*

**FINANCE AND ADMINISTRATION**

The Finance and Administration department is responsible for overall financial management and for budget coordination within all divisions of Tourism Saskatchewan. The department develops annual operating and capital budgets, and works in concert with other divisions to compile the annual estimates submission to government. It manages all accounting functions, including reporting and payroll. Additionally, the Finance and Administration team is responsible for facilities and materials management and logistics.

- During the changeover to a Treasury Board Crown Corporation, the Chief Financial Officer participated on the transition team.
- New policies and procedures under a different governance model, along with a change to the fiscal year, required thoughtful management to ensure business continuity and compliance. The hiring of a new CEO, along with the transfer of four staff from the Tourism Initiatives Branch of the Ministry of the Economy and one from the former Enterprise Saskatchewan required support structures to ensure a smooth and welcoming transition.

• As a result of the transition to a Treasury Board Crown Corporation, Tourism Saskatchewan adopted Canadian public sector accounting standards. The accounting changes were made in the 2011-2012 audited financial statements and were applied retroactively with restatement of prior periods.
• In accordance with Order in Council 635/2012, dated November 28, 2012, the fiscal year of Tourism Saskatchewan changed from October 1 – September 30 to April 1 – March 31. Finance supported the program areas through a challenging budget revision process, given that the new fiscal year end does not align with the natural business cycle. The process resulted in a revised six-month budget that was approved by the Board of Directors on February 25, 2013.
• Progress was made in automating and streamlining various processes and removing duplication of work, while maintaining necessary internal controls. This effort supports the commitment to delivering excellent customer service.

**eBUSINESS AND TECHNOLOGY**

The eBusiness and Technology department monitors technology trends, and recommends and implements solutions for aligning technology with business goals and objectives. Team members deliver a secure, reliable infrastructure and ensure the comprehensiveness, confidentiality and availability of Tourism Saskatchewan's information assets. The team is responsible for platforms that support websites and applications, online marketing, social media marketing, and corporate communications and provides business intelligence to program areas for the measurement and reporting of key performance indicators.

• Numerous upgrades to Tourism Saskatchewan's infrastructure and data security were made to support movement toward full compliance with ISO 27002:2005 security standards.
• Identifying new technology trends is a department priority. Trends that have an impact on the travel industry are a focus. Projects undertaken in 2012-2013 and continuing onward address unified communications, data integrity, cloud services, business analytics, and other areas requiring up-to-date technology to serve the best interests of the tourism sector.
• Expansion of the Customer Relationship Management (CRM) system involved Quality Assurance process tracking, which has been finalized and will be launched in the fall 2013.
• New subscription management tools have been added for distribution of both our consumer newsletter and updates to industry and a marketing campaign module is in development.

• Working closely with Marketing and Communications division, e-Business and Technology provides critical support to online assets, social media, mobile sites and apps to ensure that resources are up-to-date, effective and provide valuable service to industry and consumers.

**HUMAN RESOURCES**

The Human Resources department is responsible for the delivery of services including recruitment, organizational effectiveness, classification of positions, labour relations, compensation, workforce planning and organizational development that align with the corporation's goals, as well as supporting the achievement of the organization's desired culture.

• For a third year, Tourism Saskatchewan earned *Employer of Choice* designation. The tourism *Employer of Choice* program recognizes excellence in human resource practices and employee satisfaction.
• Changes in governance and organizational structure presented significant challenges for the Human Resources department in terms of ensuring Tourism Saskatchewan maintains both internal and external equity, while being transparent and accountable.
A review of the out-of-scope compensation package was conducted and recommendations made to the CEO that will allow Tourism Saskatchewan to be a competitive employer.
• Human Resources addressed a number of issues characteristic to a period of transition and change.
The areas of recruitment, in-scope reclassifications, employee transfers, performance management, policy development and on-going labour relations required significant attention.

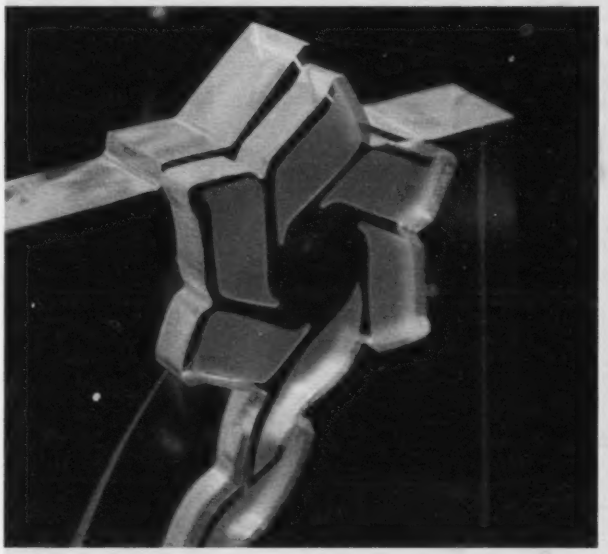
## CORPORATE EVENTS

The Corporate Events department is responsible for events that Tourism Saskatchewan hosts as a means to engage industry, provide networking and educational opportunities and celebrate accomplishments. In addition to managing corporate event details, budgets and logistics, the department administers minor sponsorship requests and promotional merchandise inventories.

• The annual *HOST Saskatchewan Conference* was held in Saskatoon in December 2012. More than 200 delegates attended the two-day forum that offered valuable networking and educational sessions. The conference was the first opportunity for the new Board of Directors and CEO to publicly address and meet industry representatives. Feedback was gathered from attendees and put to use in planning the 2013 *HOST Saskatchewan Conference*.

• In concert with the Planning and Event Strategy team, sponsorship policy revisions were drafted and approved. Eligibility criteria and formal application documents are available for both minor (less than $5,000) and major (greater than $5,000) event sponsorship. Applications are reviewed on an individual basis by an internal committee, and funds are allocated as budget permits.

*HOST Saskatchewan Conference*



## SASKATCHEWAN TOURISM AWARDS OF EXCELLENCE

The *Saskatchewan Tourism Awards of Excellence* pay tribute to individuals and businesses that go "above and beyond" to provide visitors with exceptional service and experiences. Tourism Saskatchewan organizes and hosts the annual gala, manages the complex details of the online nomination process, recruits award selection committee members and provides support for writing services.

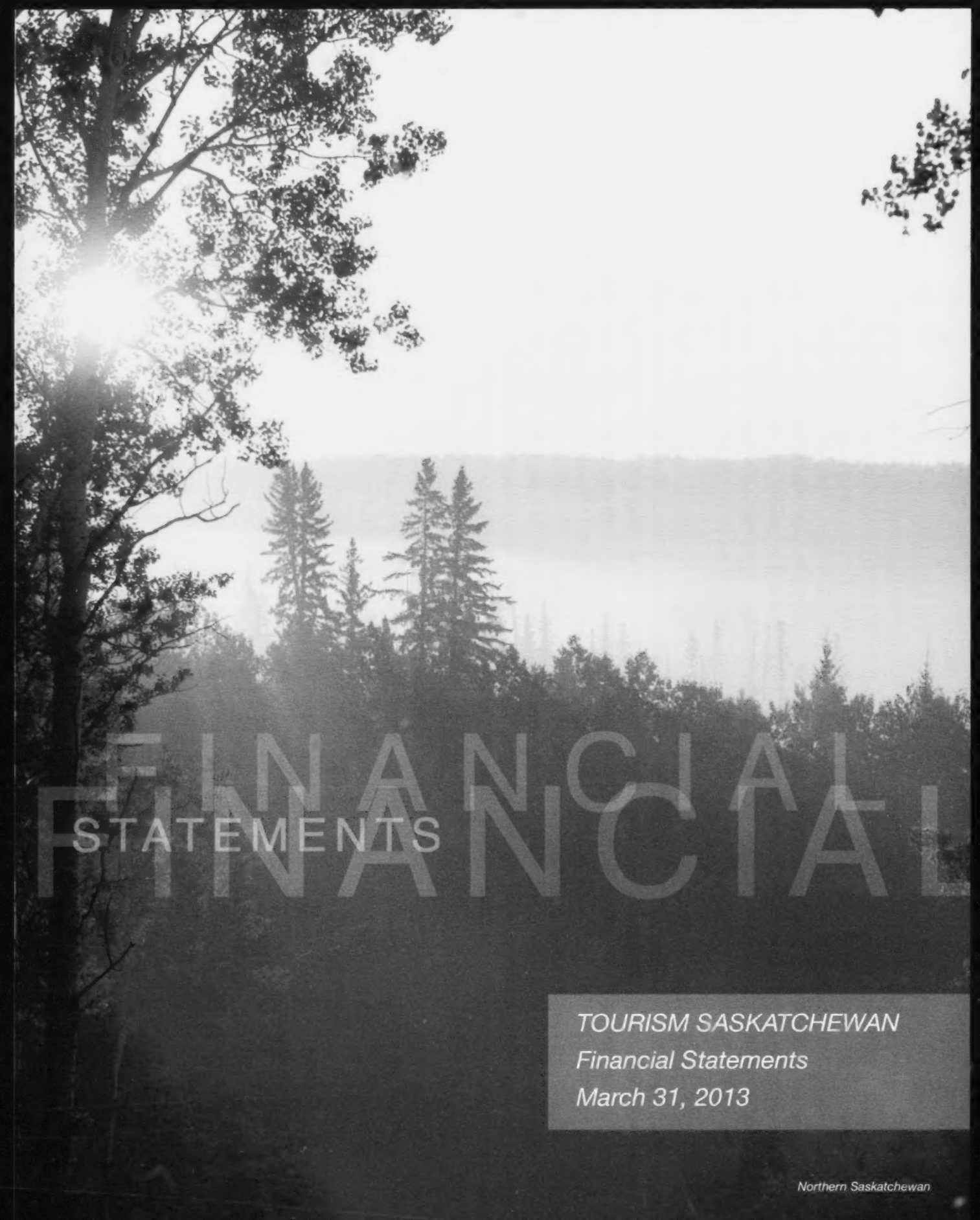
Response to the call for nominations was strong, with more than 110 submissions received. The 42 finalists were announced in March, while plans proceeded for the celebration of the 24th annual *Saskatchewan Tourism Awards of Excellence*, scheduled for April 25 in Regina.

## CANADIAN TOURISM AWARDS

Tourism Saskatchewan coordinates nominations from Saskatchewan for the *Canadian Tourism Awards*, held in conjunction with the Tourism Industry Association of Canada's (TIAC) annual *Tourism Congress*.

In 2012, 24 nominations were submitted, with four finalists from the province honoured at the celebration in Gatineau, QC last November:

- Tourism Saskatchewan – nominated for The Fairmont Hotels & Resorts Marketing Campaign of Year Award for its *Embrace A New Place* campaign;
- Canalta Hotels – nominated for the Air Canada Business of the Year Award;
- Gold Eagle Lodge – for the second consecutive year, nominated for the CTHRC Award for Excellence in Human Resources Development; and
- Gold Eagle Casino – nominated for the CTHRC Award for Excellence in Human Resources Development.




# TOURISM SASKATCHEWAN

## Financial Statements

## March 31, 2013

Northern Saskatchewan

# MANAGEMENT'S RESPONSIBILITY

**To the Members of the Legislative Assembly of Saskatchewan:**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting principles and ensuring that all information in the Annual Report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of Tourism Saskatchewan. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for the approval of the financial information included in the Annual Report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of Tourism Saskatchewan's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Lieutenant Governor in Council to audit the financial statements; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

May 9, 2013

Chief Executive Officer

Chief Financial Officer

# AUDITORS' REPORT

**To the Members of the Legislative Assembly of Saskatchewan:**

We have audited the accompanying financial statements of Tourism Saskatchewan, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, changes in net financial assets and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tourism Saskatchewan as at March 31, 2013 and the results of its operations, changes in net financial assets and its cash flows for the six-month period then ended in accordance with Canadian Public Sector accounting standards.

MNP LLP
Regina, Saskatchewan

May 9, 2013
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

| | March 31, 2013 (Note 2) | September 30, 2012 (Note 2) |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash (Note 5) | **$3,294,207** | $2,073,346 |
| Accounts receivable | **2,176,342** | 729,073 |
| Inventory for resale | **8,960** | 9,470 |
| | **5,479,509** | 2,811,889 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities (Note 6) | **$1,165,355** | $1,075,327 |
| Unearned revenue | **66,878** | 30,522 |
| | **1,232,233** | 1,105,849 |
| **NET FINANCIAL ASSETS** | **4,247,276** | 1,706,040 |
| **NON FINANCIAL ASSETS** | | |
| Tangible capital assets (Note 7) | **1,153,237** | 1,160,492 |
| Prepaid expenses | **89,955** | 63,514 |
| | **1,243,192** | 1,224,006 |
| **ACCUMULATED SURPLUS** | **$5,490,468** | $2,930,046 |

Contingent Liabilities (Note 6)
Contractual Obligations (Note 8)
Designated Assets (Note 9)

See accompanying notes to financial statements.

**APPROVED BY THE BOARD:**

Director

Director

# STATEMENT OF OPERATIONS

FOR THE PERIOD ENDED MARCH 31, 2013

| | Revised Budget 6 months ended March 31, 2013 (Note 2) | 6 months ended March 31, 2013 (Note 2) | 12 months ended September 30, 2012 (Note 2) |
|---|---|---|---|
| **REVENUE** | | | |
| Provincial Operating Grant (Note 10) | **$7,883,143** | $7,920,913 | $12,453,834 |
| Other Grants and Contributions | **742,912** | 763,655 | 1,687,603 |
| Certification and Training | **74,000** | 130,647 | 191,732 |
| Sales of Products and Services | **89,100** | 63,542 | 136,275 |
| Advertising | **217,000** | 222,451 | 245,184 |
| Listings | **108,600** | 142,588 | 100,720 |
| Partnership | **162,500** | 101,082 | 674,044 |
| Interest and other | **22,500** | 34,321 | 66,416 |
| | **9,299,755** | 9,379,199 | 15,555,808 |
| **EXPENSES (Schedule 1)** | | | |
| Administration | **1,967,796** | 1,724,204 | 3,720,196 |
| Marketing | **3,434,842** | 2,743,694 | 6,915,579 |
| Industry Development | **2,231,918** | 714,086 | 1,209,844 |
| Training and Education | **1,308,104** | 1,331,146 | 2,307,115 |
| Visitor Services | **329,800** | 305,647 | 925,633 |
| | **9,272,460** | 6,818,777 | 15,078,367 |
| **SURPLUS FOR THE PERIOD** | **$27,295** | $2,560,422 | $477,441 |
| Accumulated surplus - beginning of period | **2,930,046** | 2,930,046 | 2,452,605 |
| Accumulated surplus - end of period | **$2,957,341** | $5,490,468 | $2,930,046 |

See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE PERIOD ENDED MARCH 31, 2013

| | Revised Budget 6 months ended March 31, 2013 (Note 2) | 6 months ended March 31, 2013 (Note 2) | 12 months ended September 30, 2012 (Note 2) |
|---|---|---|---|
| Surplus for the period | **$27,295** | $2,560,422 | $477,441 |
| Acquisition of tangible capital assets | **(93,000)** | (147,175) | (149,055) |
| Amortization of tangible capital assets | **177,480** | 154,430 | 570,244 |
| | **111,775** | 2,567,677 | 898,630 |
| Use (purchase) of prepaid expenses and supplies | **-** | (26,441) | 27,859 |
| Increase in net financial assets | **111,775** | 2,541,236 | 926,489 |
| Net financial assets - beginning of period | **1,706,040** | 1,706,040 | 779,551 |
| Net financial assets - end of period | **$1,817,815** | $4,247,276 | $1,706,040 |

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2013

| | 6 months ended March 31, 2013 (Note 2) | 12 months ended September 30, 2012 (Note 2) |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Surplus for the period | **$2,560,422** | $477,441 |
| Items not requiring cash: | | |
| Amortization of tangible capital assets | **154,430** | 570,244 |
| Net change in non-cash balances relating to operations: | | |
| Accounts receivable | **(1,447,269)** | (213,226) |
| Inventory | **510** | (1,064) |
| Prepaid expenses | **(26,441)** | 27,859 |
| Accounts payable and accrued liabilities | **90,028** | (277,437) |
| Unearned revenue | **36,356** | (10,024) |
| | **1,368,036** | 573,793 |
| **CAPITAL ACTIVITIES** | | |
| Acquisition of tangible capital assets | **(147,175)** | (149,055) |
| | **(147,175)** | (149,055) |
| **Increase in cash** | **1,220,861** | 424,738 |
| Cash, beginning of period | **2,073,346** | 1,648,608 |
| **Cash, end of period** | **$3,294,207** | $2,073,346 |

See accompanying notes to financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

## 1. STATUS OF TOURISM SASKATCHEWAN

Tourism Saskatchewan was established pursuant to *The Tourism Saskatchewan Act* proclaimed on July 1, 2012. Tourism Saskatchewan is a Treasury Board Crown Corporation within the meaning of *The Crown Corporations Act, 1993*. Tourism Saskatchewan is a continuing corporation of Saskatchewan Tourism Authority, established under *The Tourism Authority Act* on October 1, 1994. Tourism Saskatchewan promotes Saskatchewan as a tourism destination by providing in-province and out-of-province marketing of tourism, industry-government marketing programs, the provision of visitor services, market research and tourism product development, including tourism programs with a particular focus on supporting major sporting and cultural events for Saskatchewan.

Tourism Saskatchewan is exempt from income taxes under the *Income Tax Act*.

## 2. CHANGE IN FISCAL YEAR

In accordance with Order in Council 635/2012 dated November 28, 2012, the fiscal year of Tourism Saskatchewan changed from October 1 – September 30 to April 1 – March 31. These statements have been prepared based on the six-month period ended March 31, 2013 and the 12-month period ended September 30, 2012. A revised six-month budget was approved by the Board of Directors on February 25, 2013 and appears on Statement 2.

## 3. SIGNIFICANT ACCOUNTING POLICIES

**a. Basis of Accounting**
These financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

**b. Adoption of PS 3410 - Government Transfers (amended)**
Tourism Saskatchewan has adopted the accounting standards contained in PS 3410 – Government transfers (amended) in the preparation of these financial statements. This Section has been applied prospectively.

**c. Measurement Uncertainty**
The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include accounts receivable, accrued liabilities and amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**d. Cash**
Cash comprises monies on deposit and is recognized at its fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

**e. Inventory**
Inventory for resale is valued at the lower of cost and net realizable value. Cost of merchandise is determined principally on a first-in, first-out basis. Inventory cost includes the costs of purchase plus other costs, such as taxes and transportation that are directly incurred to bring inventories to their present location.

**f. Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Tangible capital assets are amortized over their estimated useful lives. Amortization expense is calculated using the straight-line method at the following annual rates:

| | |
|---|---|
| Photo library | 10% to 20% |
| Furniture and equipment | 10% to 20% |
| Computer equipment and systems | 25% to 33% |
| Leasehold improvements | 10% |
| Signs and displays | 20% |
| Video and video footage | 33% |

When tangible capital assets no longer contribute to Tourism's ability to provide goods and services, they are written down to residual value.

**g. Revenue Recognition**

Grants and contributions are recognized as revenues when the grant or contribution is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

Other revenue, which includes partnership, advertising, listing, sales of products and services and interest revenue, is recognized in the period in which the transactions or events occurred that give rise to the revenue.

**h. Grants to Clients**

Grants provided to clients for a variety of programs are recorded as an expense by Tourism Saskatchewan when it approves the transfer and the recipient meets the eligibility criteria.

## 4. FINANCIAL INSTRUMENTS

Tourism Saskatchewan's financial instruments include cash, accounts receivables, accounts payable, accrued liabilities. The carrying amount of these instruments approximate fair value due to their immediate or short-term maturity. These instruments do not have significant interest rate or credit risk.

## 5. CASH

Tourism Saskatchewan has access to an operating line of credit in the amount of $500,000, repayable on demand with interest paid monthly, at the TD Bank prime rate. As of March 31, 2013, Tourism Saskatchewan has not drawn on the operating line. In 2012, there were no draws on the operating line.

## 6. CONTINGENT LIABILITY

There is an outstanding grievance from a past employee. A liability relating to this grievance has been recorded in these statements. As this is managements' best estimate, any adjustment will be reflected in the year determined.

## 7. TANGIBLE CAPITAL ASSETS

| | Photo library | Furniture and equipment | Computer equipment and systems | Leasehold improvements | Signs and displays | Video and video footage | 2013 Total | 2012 Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| Opening Balance | $358,491 | $137,271 | $805,349 | $1,289,410 | $29,282 | $1,679,666 | $4,299,469 | $6,022,653 |
| Additions | - | 30,826 | 110,449 | 5,900 | - | - | 147,175 | 149,055 |
| Disposals | - | - | - | - | - | - | - | (1,844,951) |
| Write-downs | - | - | - | - | - | - | - | (27,288) |
| Closing Balance | 358,491 | 168,097 | 915,798 | 1,295,310 | 29,282 | 1,679,666 | 4,446,644 | 4,299,469 |
| **Accumulated Amortization** | | | | | | | | |
| Opening Balance | 320,883 | 114,953 | 607,451 | 386,742 | 29,282 | 1,679,666 | 3,138,977 | 4,440,972 |
| Amortization | 7,873 | 6,953 | 74,838 | 64,766 | - | - | 154,430 | 570,224 |
| Disposals | - | - | - | - | - | - | - | (1,844,951) |
| Write-downs | - | - | - | - | - | - | - | (27,288) |
| Closing Balance | 328,756 | 121,906 | 682,289 | 451,508 | 29,282 | 1,679,666 | 3,293,407 | 3,138,977 |
| **Net Book Value** | 29,735 | 46,191 | 233,509 | 843,802 | 0 | 0 | 1,153,237 | 1,160,492 |

## 8. CONTRACTUAL OBLIGATIONS

### Leases
Tourism Saskatchewan has entered into leases for office premises, Visitor Reception Centres and storage space at various locations in the province.

### Operational
Tourism Saskatchewan has operating agreements that enable day-to-day operations of the corporation.

### Program
Tourism Saskatchewan has program related obligations to assist Saskatchewan's tourism industry operators to market their products and to develop and promote the quality of tourism products and services in Saskatchewan, including tourism programs with a particular focus on supporting major sporting and cultural events for Saskatchewan.

| | Leases | Operational | Program | Total |
|---|---|---|---|---|
| 2013-14 | $756,845 | $149,055 | $187,300 | $1,093,200 |
| 2014-15 | 671,140 | 31,595 | 20,000 | 722,735 |
| 2015-16 | 688,611 | - | - | 688,611 |
| 2016-17 | 702,083 | - | - | 702,083 |
| 2017-18 | 715,155 | - | - | 715,155 |
| thereafter | 4,060,633 | - | - | 4,060,633 |
| | **$7,594,467** | **$180,650** | **$207,300** | **$7,982,417** |

Contractual obligations do not include those contracts which are paid on a usage basis.

## 9. DESIGNATED ASSETS

Tourism Saskatchewan is holding $2,500,000 as designated assets to be spent on the following programs in future years.

- Marketing Campaigns $1,500,000
- Event Hosting Funding Program $1,000,000

In 2012, Tourism Saskatchewan had designated assets of $169,000 for the following:

- Partnership Marketing $44,000
- Education and Training $125,000

## 10. PROVINCIAL OPERATING GRANT

Tourism Saskatchewan receives grants from the General Revenue Fund out of monies appropriated by the legislature or authorized by Order in Council. From October 1, 2012 to March 31, 2013, Tourism Saskatchewan received $6,200,913 from the Ministry of the Economy and had an outstanding receivable in the amount of $1,720,000 relating to the transfer of the Tourism Initiatives Branch. The outstanding amount was received on April 15, 2013.

## 11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to Tourism Saskatchewan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

| | 2012-13 | 2011-12 |
|---|---|---|
| Accounts Receivable | $99,619 | $57,492 |
| Accounts Payable and Accrued Liabilities | 91,050 | 75,159 |
| Other Revenue | 220,006 | 488,901 |
| Expenses | 775,093 | 1,478,792 |

## 12. DEFINED CONTRIBUTION PENSION PLAN

Tourism Saskatchewan participates in the Public Employees' Pension Plan (PEPP), a defined contribution plan. Tourism Saskatchewan's obligations are limited to matching contributions made by the employees, up to a rate of 7.25%, for current services. From October 1, 2012 to March 31, 2013, Tourism Saskatchewan contributed $200,822 (from October 1, 2011 to September 30, 2012 – $386,581).

## 13. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform to the current year's presentation.

# SCHEDULE OF EXPENSES

**SCHEDULE 1**

EXPENSES BY PROGRAM
FOR THE PERIOD ENDED MARCH 31, 2013

| | Administration | Marketing | Education & Training | Industry Development | Visitor Services | 6 months ended March 31, 2013 (note 2) | 12 months ended September 30, 2012 (note 2) |
|---|---|---|---|---|---|---|---|
| Salaries | $622,308 | $1,139,985 | $492,032 | $399,729 | $171,166 | $2,825,220 | $5,249,756 |
| Benefits | 132,404 | 162,504 | 74,850 | 56,041 | 32,148 | 457,947 | 894,314 |
| Cost of Retail Sales | - | - | - | - | 1,393 | 1,393 | 24,216 |
| Professional Services | 119,000 | 70,177 | 509,469 | 91,870 | 36,062 | 826,578 | 1,678,331 |
| Advertising | 4,000 | 642,667 | 250 | - | - | 646,917 | 2,651,088 |
| Print | 1,470 | 306,725 | 10,757 | - | - | 318,952 | 383,129 |
| Other Marketing Related Expenses | 12,721 | 156,474 | 4,712 | 133 | 59,960 | 234,000 | 480,384 |
| Travel | 18,298 | 176,034 | 10,608 | 27,926 | 189 | 233,055 | 575,609 |
| Board and Committees | 21,030 | - | - | - | - | 21,030 | 86,510 |
| Rent and Equipment Purchases | 456,688 | - | 16,298 | - | 3,659 | 476,645 | 951,840 |
| Supplies and Services | 96,991 | 39,953 | 18,574 | 5,349 | 670 | 161,537 | 333,610 |
| Other Related Business Expenses | 84,864 | 9,837 | 1,626 | 4,738 | 400 | 101,465 | 232,244 |
| Amortization | 154,430 | - | - | - | - | 154,430 | 570,244 |
| Grants | - | 39,338 | 191,970 | 128,300 | - | 359,608 | 967,092 |
| **Total** | **$1,724,204** | **$2,743,694** | **$1,331,146** | **$714,086** | **$305,647** | **$$6,818,777** | **$15,078,367** |

TOURISM Saskatchewan

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